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SECRETCENTRAL INTELLIGENCE AGENCY
Office of the Chief, Economic Research
Office of Research and ReportsRequest for InformationProject No. 32.1637
Date: 20 September 1956TITLE: Egyptian Land Amusement IndustryREQUESTER: Self-initiated (initiated to meet anticipated internal requests -- a research deficiency exists in the intelligence community on this subject.)
STATEMENT OF THE PROBLEM AND TERMS OF REFERENCE:Problem: A survey will be made of all information available on the Egyptian Land Amusement Industry. An attempt will be made to estimate the productive capability of the industry and to provide a ready reference summary of data available on the plants.Terms of Reference: 1. Identification of the industry.
2. Plant examination.

The project will be coordinated with S-1.

This is an exploratory project; no publication is expected to result from it.

RESPONSIBILITY:Action Division:Branch:D/E
I/SMan-hoursDue Date(Initials)

150

15 Oct 56

*[Signature]*Staff:

S-1/S

Principal Analyst:

32.1637

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*[Signature]*Project Number:

32.1637

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This project will not delay completion of currently scheduled projects.

APPROVED:*[Signature]*On/8

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✓ Thru : Chief, Economic Research Area, ORR
Thru : Chief, Planning and Review Staff
Thru : Chief, Industrial Division
Acting Chief, Weapons and Ammunition Branch

30 October 1956

Project No. 31.1637, "The Egyptian Land Armaments Industry"

1. Attached is a short paper presenting our findings concerning the Egyptian land armaments industry. Although outside our assigned field of responsibility, the research was scheduled so as to be prepared to handle anticipated internal requests for information on this industry.

2. The project has been coordinated informally with the Technical Branch of Production Division, Office of the Assistant Chief of Staff, Intelligence, Department of the Army.

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Attachment

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The Egyptian Land Armaments IndustrySummary

Egypt manufactures very few types of ground weapons and several types of ammunition, but production of these items is extremely limited. Since 1952, Egyptian investment in an armaments industry has amounted to about \$30,000,000. As evidenced by its purchases from Soviet Bloc countries during the past year, primary reliance for ground weapons must still be placed on imports.

There is no production of armored fighting vehicles or artillery in Egypt at the present time, and there are no indications that there will be any production of these weapons in the near future. Limited facilities do exist, however, for the maintenance of military vehicles. Capacity exists for the manufacture of infantry weapons, but only the simpler types, for example, rifles, sub-machine guns and mortars.

Small arms ammunition and light anti-aircraft gun ammunition are produced in some quantity. Artillery ammunition may be manufactured in the future when factories which are now being constructed by the Egyptian government are completed.

Most raw materials and semi-finished products necessary for the production of land armaments in Egypt have to be imported at the present time. The Egyptian government has

begun building plants which eventually will produce the necessary semi-finished products, but the raw materials probably will have to continue to be imported.

Despite attempts to develop an armaments industry in Egypt since the war with Israel (1948-49), the Egyptian government has continued the practice of purchasing the required land armaments for her forces from abroad. In the light of the arms deals with the Soviet-Bloc and the continuing purchases of arms it seems likely that Egypt feels it is more advisable to buy land armaments than to produce them. It is highly probable that the government will concentrate its efforts primarily on developing adequate facilities for the maintenance of military equipment purchased from abroad and possibly the production of ammunition to be used by these weapons.

Productive Capabilities

General

Prior to the 1948-49 war with Israel, the Egyptian armed forces were primarily equipped and supplied with British materiel. There were no facilities available in Egypt for the production of land armaments; there existed, however, a few installations for the maintenance of the British equipment. After the outbreak of the war with Israel in 1948, Egypt attempted to produce simple types of ground armaments, primarily small arms. This venture, however, met with only limited success and, therefore, Egypt had to import virtually all the additional munitions required to equip its military forces.

It was not until after the revolution of 1952 that the plan for a national land armaments industry was seriously implemented. The general procedure was to arrange for firms from the western European countries to build and equip the armaments plants. These plants were to produce mainly small arms and most types of ammunition, but many of the plants either have not yet been constructed or have not yet begun full scale production.

The development of an armaments industry in Egypt is faced with many serious problems. For example, Egypt has no steel industry, although it is in the process of developing one. All the raw materials necessary for the production of ammunition,

except cotton for nitrocellulose, must be purchased abroad by Egypt. An explosives plant, which is in process of construction, is not yet producing. Since these materials must still be imported, the Egyptian government has made arrangements with the firms responsible for constructing and equipping the factories also to provide the necessary inputs.

The scarcity of skilled labor and technical personnel is another handicap in the creation of an Egyptian land armaments industry. It has, therefore, been necessary to make arrangements for foreign experts, primarily from Western Europe, to come to Egypt in order to aid in the development of the new industry.

Expenditures on new munitions factories since 1952 have amounted to approximately £E 10,000,000 (\$29,000,000). This program was designed to make Egypt self-sufficient with respect to ammunitions and to partially satisfy its requirement for small arms. However, for more complex types of ground equipment, such as tanks and artillery, Egypt will still be completely dependent upon import.

More important, however, is the fact that the Egyptian government has contracted to purchase at least £E 24,000,000 (\$70,000,000) worth of land armaments from the Soviet Bloc.

These contracts were for the following material:

Egyptian Land Armament Imports from the Soviet Bloc

<u>Item</u>	<u>Million \$ E</u>	<u>Million US \$</u>
Armored fighting vehicles	7	20
Artillery	2	6
Infantry weapons	2	6
Military vehicles	2	6
Ammunition	10	29
Miscellaneous	<u>1</u>	<u>3</u>
	24	70

Armored Fighting Vehicles

There are no facilities for producing armored fighting vehicles in Egypt. There are facilities available for the conversion and maintenance of armored fighting vehicles. Although attempts have been made to develop the simpler types of armored vehicles, such as reconnaissance cars and personnel carriers, there is no evidence that these items were ever put into production. In Plant Number 2 at Abassia, which is used primarily for maintenance purposes, US "Sherman" tanks in the past have been fitted with British guns and converted into assault-type vehicles. Egypt also has facilities for converting civilian type vehicles into armored military type vehicles in the plant at El Amiriya.

Artillery

Egypt has no facilities for the production of artillery, but maintenance installations do exist.

Infantry Weapons

The Miar engineering plant at El Amiriya, which is not government owned, is capable of producing not larger than 60mm.

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Current production capacity cannot be estimated but is considered to be very low. Sub-machine guns (9mm) and rifles (7.92mm) are being produced in Plant Number 5⁴ at Madi; however, this venture has not met with the expectations of the Egyptian government. The capacity of the plant is not known, but present production is about a year behind schedule. As a result of the "arms deals" with the Soviet Bloc, as well as plant efficiency, the Egyptians have decided to discontinue production of small arms in Plant Number 5⁴ after having manufactured some 5,000 rifles and 12,000 sub-machine guns.

Military Transport Vehicles

Since Egypt has no facilities for the production of motor vehicles, all requirements must be imported. There are, nevertheless, some vehicle assembly plants available, the two main ones being the Ford plant at Alexandria and the Mier plant at El Amiriya.

Ammunition

In its attempts to develop an armament industry, the Egyptian government has made some limited progress with the ammunition plants. Among the plants which are being constructed or have been constructed, there are two small arms ammunition plants, one light anti-aircraft ammunition plant, one shell producing plant, one explosives plant, and one filling plants.

Plant Number 27 at Shubra is presently manufacturing small arms ammunition. Plant Number 10 at Abukir, using imported

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components, is actually only assembling small arms ammunition.

Plant Number 45 at Masaara, scheduled to manufacture light anti-aircraft ammunition, had great difficulties with its original production effort and has not yet achieved full scale production.

Plant Number 99 at Helwan, the plant scheduled for production of shell bodies and cartridge cases, and Plant Number 18 at Abu Zaabal, the planned explosives plant, had not yet begun production as of early 1956, and there is no information to indicate that it has as yet done so. Plant Number 81 at Huchstep is being utilized as an ammunition filling and assembly plant, but the plant's facilities are primitive and production is very low.

The plant at Almasa was intended to produce 80mm aircraft rockets, but there is no evidence that the manufacture of rockets has yet progressed beyond the experimental stage.

Estimated Production and Capacity of Egyptian Ammunition Plants

<u>Item</u>	<u>Present Annual Production Rate</u>	<u>Planned Capacity(Annual Rate)</u>
Small arms (under 20mm)	26 million rounds	130 million rounds
Artillery	NA	2 million rounds
Explosives and propellants	NA	4 thousand tons

* (Production is estimated on the basis of 300 eight-hour work days. The planned capacity production figures include those plants which have not yet begun actual production.)

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